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A meeting of the representatives of...

New York

1892

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St Clair McKelway Esq
With compliments of
James McMahon

A MEETING

OF THE

REPRESENTATIVES

OF

VARIOUS SAVINGS BANKS OF THE STATE OF NEW YORK

HELD AT

THE CHAMBER OF COMMERCE, NEW YORK CITY,

THURSDAY, MAY 26, 1892, AT 1 P. M.

NEW YORK:
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THE REFORM CLUB
SOUND CURRENCY COMMITTEE,
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ARTHUR & BONNELL,
STATIONERS AND PRINTERS
55 CEDAR ST., N. Y.

A meeting of the officers of the various Savings Banks of the State of New York was held at the Chamber of Commerce, New York City, May 26th, 1892, at 1 P. M.

The following Savings Banks were represented:

Albany Savings Bank	Albany	by	J. Howard King, Pr.
" Exchange Savs. Bk.	"	"	Jn. E. McElroy, 2d V. P.
Home Savs. Bank	"	"	John D. Capron, Tr.
Albany County Savs. Bk.	"	"	W. N. S. Sanders, "
Auburn Savings Bank	Auburn	"	E. H. Townsend, Tres.
Cayuga County Savs. Bk.	"	"	W. H. Meaker, "
Amsterdam Savings Bk.	Amsterdam	"	S. H. French, Pr.
Binghamton Savings Bk.	Binghamton	"	H. G. Rodgers, Tres. J. K. Weldon, Trus.
S. Brooklyn Savs. Inst.	Brooklyn	"	A. E. Orr, Pr.
Germania " " "	"	"	F. A. Schroeder, Pr.
Dime " " "	"	"	G. S. Hutchinson, Pr. E. H. Kellogg, V. P.
Kings County Savs. Inst.	"	"	James S. Bearns, "
Bklyn. Savs. Bk.	"	"	F. E. Flandreau, Cash.
Erie County Savs. Bank	Buffalo	"	Philo D Beard, 1st V. P.
College Point Savs. Bk.	College Point	"	Hugo Funke, 2d V. P.
Queens County Savs. Bk.	Flushing	"	L. M. Franklin, Sec.
Hudson City Savs. Inst.	Hudson	"	Saml. R. Rainey, Trs.
Farmers' & Mechanics' Savs. Bank	Lockport	"	Isaac H. Babcock, Pr. J. E. Emmerson, Sec. & Treas.
Union Savs. Bk.	Mamaroneck	"	Bradford Rhodes, Pr.
Port Chester Savs. Bk.	Port Chester	"	W. P. Abendroth, Pr.
Poughkeepsie Savs. Bk.	Poughkeepsie	"	Henry V. Pelton, Trs. Ed. S. Atwater, "
Rhinebeck Savs. Bk.	Rhinebeck	"	T. W Bates, Pres. T. A. Traver, S. & T.
Riverland Savs. Bk.	Riverland	"	Nat. W. Foster, Pres. Cliff'd B. Ackerly, Sc.
Rochester Savs. Bk.	Rochester	"	S. J. Macy, 2d V. P.
Mechanics' Savs. Bk.	"	"	T. A. Whittlesey, Atty. & Trus.
Rondout Savs. Bk.	Rondout	"	J. E. Derrenbacher, Sec.
Sing Sing Savs. Bk.	Sing Sing	"	Isaac B. Noxon, Sec.

Southold Savs. Bk.	Southold	H. H. Huntling, Sec. & Treas.
Onondago County Savs. Bk.	Syracuse	E. S. Dawson, Pres. R. A. Bonta, Sec.
Savs. Bk. of Utica	Utica	" Ephraim Chamberlain, Pres.
Warwick Savs. Bk.	Warwick	" W. L. Ogden, V. Pr. Thos. Burt, Treas.
People's Savs. Bk.	Yonkers	" R. Dutton, Pres.
Yonkers " "	"	" S. E. Getty Sec.
Bowery Savs. Bk.	New York	" Edward Wood, Pres.
Bank for Savings	"	" J. A. Roosevelt, 2d Vice-Pres.
Emigrant Indust. Savs. Bk.	"	" Jas. McMahon, Pres.
Seamen's Bk. for Savings	"	" W. C. Sturges, Pres.
Greenwich Savs. Bk.	"	" J. Harsen Rhoades, Pres.
German Savs. Bk.	"	" G. F. Amthor, Treas.
Dry Dock Savs. Inst.	"	" Andrew Mills, Pres.
Union Dime Savs. Inst.	"	" Chas. E. Sprague, Trs.
Citizens' Savs. Bk.	"	" E. A. Quintard, Pres.
East River Savs. Inst.	"	" W. H. Slocum, Pres.
New York Savs. Bk.	"	" S. W. Jones, Pres. Fred. Hughson, Trs.
Franklin Savs. Bk.	"	" W. G. Conklin, Sec.
Inst. for Savs. Merchts' Clks.	"	" And. Warner, Pres. Geo. A. Robbins. V.P.
Metropolitan Savs. Bk.	"	" Geo: N. Conklin, Sec.
Harlem Savs. Bk.	"	" Chas. B. Tooker, Prs.
United States Savs. Bk.	"	" Cons. A. Andrews, P. G. A. Middlebrook, Sec. & Treas.
12th Ward Savs. Bk.	"	" Anton. Rasines, Pres.
Newburgh Savs. Bk.	Newburgh	" Thos. F. Balfe, Treas.

Letters were received from the following Banks approving of the meeting and endorsing its objects:

National Savs. Bk..... Albany
Albany City Savs. Inst.. ..... "
Mechanics' & Farmers' Bk. ..... "
Williamsburgh Savs. Bk ..... Brooklyn
East Brooklyn..... "
Western Savings Bk..... Buffalo
Buffalo Savings Bk..... "
Mechanics Savings Bk..... Cohoes
Cohoes Savings Bk..... "
Cortland Savings Bank..... Cortland

Goshen Savings Bk..... Goshen
Ithaca Savings Bk..... Ithaca
Kingston Savings Bk..... Kingston
Long Island City Savs. Bk..... L. I. City
Middletown Savs. Bk..... Middletown
West Side Savings Bk..... New York
American " " ..... "
Excelsior " " ..... "
Pawling Savings Bk..... Pawling
Monroe County Savs. Bk..... Rochester
Syracuse Savs. Bk ..... Syracuse
Troy Savings Bk..... Troy
and Hon. C. M. Preston, Bank Superintendent.

The meeting was called to order by Mr. Alexander E. Orr, President of the South Brooklyn Savings Institution.

Mr. Alexander E. Orr: Gentlemen, you will please come to order. I think the depositors of savings banks have reason to congratulate themselves upon the meeting which we are having in relation to their interests. It is necessary that we should appoint a chairman to preside over our deliberations, and I have the pleasure of nominating to you Mr. James McMahon, the President of the Emigrant Industrial Savings Bank, of this city, as chairman. Those in favor please say aye; contrary, no. Carried.

The Chairman: Gentlemen, I believe the first business demanding our attention will be the nomination and election of a Secretary.

A Member: I move that Mr. Andrew Mills, President of the Dry Dock Savings Institution, be appointed Secretary.

Another Member: I second the motion

The Chairman: It is moved that Mr. Andrew Mills, President of the Dry Dock Savings Institution, act as Secretary of this meeting. All in favor will signify the same by saying aye; contrary minded, no. Carried.

Address of Chairman James McMahon.

GENTLEMEN: I thank you for the honor conferred by electing me to preside over your deliberations, and should hesitate in accepting the position, knowing so many gentlemen present who could fill it more acceptably, did I not feel assured of your hearty co operation.

Moreover, the gentlemen who were appointed as a sub committee to draft the matter of our invitation for this meeting have also thought out an order of business that will simplify the duties of the chair, as well as tend to establish an economy of time. I do not think a lengthy address from the chair desirable or called for. I will detain you but a moment before proceeding to business. The banking laws of the State that guide and protect the savings institutions over which we preside were the outcome of the deliberations and consultations of the officials of savings banks and the banking department of the State. These laws were enacted in 1875, and revised in 1882, since which time no amendments to change their general character have taken place.

That these laws were wise and most timely is evidenced by the unparalleled prosperity of our Savings Institutions throughout the State, and, we should not be surprised to find, as we do, a disposition on the part of the law-making power of the State to look with suspicion upon any legislation asked for in the direction of extending the scope for our investments. I feel confident, however. that, with a careful study of our requirements in this direction, brought about by the very great changes in our environment, all antagonism to the relief sought by us, through the amendment referred to, will vanish.

The demand for legislation to increase the scope of investments for savings banks is genuine and needful; whilst the bonded securities in which they are at present allowed to invest have steadily decreased in

amount, the deposits have increased just as steadily. It is true that the valuation of real estate on which the savings banks may loan 65 per cent. of their deposits on a 40 to 50 per cent. valuation is constantly increasing, but this increase has by no means kept pace with the great decrease in the public stocks; the investments in bond and mortgage increased from 1880 to 1890 from $87,000,000 to $258,000,000; yet if we look forward to 1907, when the Government bonds are to be redeemed, we find that, whilst in 1880, with deposits of $353,000,000, the investments possible (including 45 per cent. of the assessed valuation of real estate in this State) amounted to $3,362,000,000 in 1890, with deposits of $574,000,000, the possible investments amounted to only $2,661,000,000, and in 1907, with deposits of probably $1,000,000,000 and the present law unchanged, the possible investments will have dwindled down at the same ratio of increase and decrease, $2,300,000,000.

You will thus see that, notwihtstanding the increase in value of real estate on which savings banks may loan, the decrease in the stocks, now allowed by law is such that it will soon be a question — not whether it be desirable to increase the scope of investments for the purpose of securing better returns to the depositors — but whether it is not absolutely necessary to do so in order to keep invested the constantly increasing savings that are yearly intrusted to our care.

It should be borne in mind by the officials of our cities who may be apprehensive that legislation to enlarge the scope of our investments might have a tendency to make money dearer for their purposes and use, that savings banks have been in the past and will always be the main absorbers of their securities, and that should the time arrive when the banks, by reason of their being restricted as at present, will be unable to pay their depositors even the present rate of interest, the depositors would withdraw their savings and invest

them in other enterprises offering more inducements and better returns; this would end in depriving the cities and counties of their best customers, and force them to offer higher rates of interest in order to sell their securities.

The people of this State may congratulate themselves upon the character of our savings banks. It must be conceded that they approach more nearly to a condition of absolute security for the savings of the working classes than any existing institutions of a similar character.

I now ask, gentlemen, that you will give your attention to the business which lies before us. Various resolutions will be offered which I hope will bring out a full, free and frank expression of opinion on the part of all here present: in addition to which undoubtedly there are other subjects in the minds of some of you who will desire to obtain from this body some action thereon.

I believe that this is the first time that the officers of the savings banks in this State have ever met as a body; and I am glad that the time has come at last when it has been thought wise to have us do so. Nothing can be lost and very much gained through coming in personal contact with and knowing one another. Our interests are identical, and having no other ends to serve than to do our duty faithfully to the public at large, we are in a position to discuss the various questions coming before us calmly, soberly and in a spirit of absolute fair dealing as between ourselves as officers, the depositors we represent, the Banking Department at Albany and the Legislature of this State, which properly controls and governs the management of the institutions we serve.

We will now proceed, gentlemen, with the business of the day.

Mr. J. Harsen Rhoades, President of the Greenwich Savings Bank: Mr. President, for the information of those here present, I should like to hear from the secretary a report of the answers received by him from the various banks in the State, so that we may know how many banks in the State have notified us of their co-operation in this movement, and then let some steps be taken at once to ascertain the names of those present at this meeting as well as the banks represented.

Secretary Mills: I have received responses from upward of eighty Savings Banks throughout the State, all of them either expressing the intention of sending a representative, or at least approving very heartily of the idea of a Convention of Savings Banks' Officers. I have prepared a list of the Savings Banks of the city in the same order that they are published in the annual report of the Superintendent of the Banking Department, and if it is deemed wise, I can call the list over and every bank which is represented can signify it by the answer of its representative

The Chairman: I think it would be desirable.

Mr. J. Harsen Rhoades: I move that this be done.

The Chairman: It will be done if there is no objection.

Secretary Mills: I will call the name of the institution. (After calling roll). There are fifty-two banks represented here.

J. Harsen Rhoades: Mr. President, I have a resolution to offer on behalf of a committee appointed at a meeting of a few savings bank presidents held at the Emigrant Industrial Savings Bank in this city to inaugurate this movement At this meeting a special committee of five were appointed to send circulars to all the banks in the State, inviting them to the general meeting which is now being held, and also to arrange a plan of work for this meeting when called together. In this connection, the special committee have had prepared a few resolutions to offer, not with the idea that of necessity these resolutions will be adopted, and

certainly not with the idea that the business before the meeting shall be "cut and dried" beforehand, or that the gentlemen present are going to vote favorably upon the resolutions prepared; but for the purpose of bringing important matters to the attention of the Savings Banks Officers of this state so that they may be fully discussed, and if any of them be deemed wise and proper, that they may be acted upon favorably or unfavorably, as the case may be. I, therefore, propose to present a resolution in favor of extending the scope of Savings Bank investments, this being the subject which has been uppermost in our minds for the past three or four years. A bill to this end, as we all know, was introduced into the Legislature for four sessions, the bill being defeated at each session. During the past winter, however, the bill passed the Senate and came near passing the House. I think I can say this from actual knowledge, as charge of the bill was largely left in the hands of Mr. McMahon and myself. The most formidable opposition arose from the position taken by the Mayor and Comptroller of the City of New York, who opposed the bill publicly on the ground that it would be likely to raise the rate of interest on New York City Bonds, but the sentiments expressed by these municipal officers were echoed by officers (holding similar positions) throughout the state, the same opposition coming from Buffalo and several of the larger cities within the State. The fear seemed to be that if the scope of investments for Savings Banks was extended, it would necessarily affect the price of municipal bonds through creating a lessened demand for them. Wherever we have been able to reach the financial officers of these municipalities, we have done what we could to disabuse their minds of this idea; but it is still prevalent with them and much work remains to be done before we can win their consent to the proposed legislation. In addition to this there is considerable feeling on the part of members of the Legislature that

if investments are made in securities located elsewhere than within the State of New York, a large sum of money will be withdrawn from use within the state, and will prove a permanent loss to the state; and yet these very legislators seem to be unmindful of the millions of dollars of money that are actually being driven out of the State by various acts of unwise legislation in other directions, and the fact that the greater the opportunity afforded the Savings Banks to wisely and safely invest their moneys, the greater will be the disposition on the part of the public at large to deposit their savings with the Banks, thus steadily increasing thrift and wealth within the State itself.

Now, gentlemen, I will present the preamble and resolutions, and after doing so, with your permission will speak to them.

Whereas, The deposits in the Savings Banks in this State now aggregate nearly six hundred millions of dollars and the average annual increase in deposits is about twenty-three millions of dollars and it is estimated that within the coming fifteen years Trustees will be called upon to invest and re-invest over five hundred millions of dollars, and

Whereas, The volume of securities exclusive of investments on bond and mortgage in which the Savings Banks have been allowed to invest since the present law was enacted, has decreased twelve hundred millions of dollars, while the deposits have increased about three hundred millions of dollars, and

Whereas, There is now held by the banks one hundred and forty millions of dollars of the bonds of cities, towns, counties, and villages in this State, about 24% of the total deposits, and in addition to which there is now loaned on bond and mortgage two hundred and seventy-four millions of dollars, being about 46% of the deposits, and

Whereas, The Government bonds now held by the banks will mature during the coming fifteen years and

it is necessary that provision be made to secure investments easily convertible into money to take the place of such bonds as from time to time they do mature, and

Whereas, It is important that the banks should continue to maintain the present rate of dividends paid to depositors in order to encourage deposits and prevent the savings of the working classes being diverted into channels likely to largely increase to them the risk of loss, and

Whereas, In our judgment the present rate of interest paid to depositors cannot much longer be maintained unless the scope of investments is enlarged, therefore be it

Resolved, That we respectfully impress upon the Legislature the necessity for relief through a proper, safe and conservative enlargement of the scope of investment securities in which the Savings Banks of this State may be permitted to invest, and urge that they either consider favorably the bill heretofore introduced, which is as follows:

"In the stocks or bonds legally authorized of any city incorporated under the laws of the State of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New Jersey, Pennsylvania, Ohio, Illinois, Wisconsin, Michigan or Missouri, having at the time of the investment more than fifty thousand inhabitants, as shown by the last Federal or State census next preceding the investment, and a total indebtedness, including the issue of stock or bonds in which the investment is made,not exceeding seven per cent. of the valuation of the taxable property therein as shown by the valuation thereof made for the assessment of taxes next preceding the investment. In estimating such indebtedness, stocks or bonds issued in payment of waterworks owned exclusively by the city and for which the city is directly liable, and commonly known as water bonds or stocks, shall not be included.

No such investment shall be made in the stocks or bonds of any such city which has defaulted, or if the State in which it is situated has defaulted in the payment of any part of the principal or interest of any of its stocks or bonds within the ten years next preceding such investment. No savings bank shall invest more than twenty-five per cent of its assets in the stocks or bonds of cities situated out of this State, or more than two and one-half per cent of its assets in the stocks or bonds of any one of such cities, or invest in more than five per cent. of all the stocks and bonds issued by any of such cities, or make any investments in the stocks or bonds of any city situated out of this State which have been or shall be issued to aid in the construction of any railroad. The terms "indebtedness of any city" when used in this section shall be construed to mean the indebtedness of such city after deducting the amount of sinking fund available for the payment of such indebtedness."

Or to make such other provision for relief as in the good judgment of the members of the Legislature will best protect the interests of depositors.

Resolved, That a copy of the foregoing resolution be sent to the Governor, the Superintendent of the Banking Department, to each member of the Legislature which is to convene Jan. 1, 1893, and to the Press throughout the State.

This is the scope, gentlemen, of the preamble and resolutions which I desire to offer. I do not know whether it is necessary for me to go over the entire ground of argument. The preamble really covers this ground, and many of those here present have so often heard me argue in favor of this bill before Comittees at Albany, that it seems almost needless for me to repeat the arguments here. It is an old story and I doubt the necessity for it, because I think the gentlemen here present thoroughly understand the situation, thoroughly understand the scope of the bill,

and thoroughly understand the reasons why the legislation is needed and sought for. When this movement was first started, four years ago, and I was then asked to join with others in an effort to secure an enlargement in the scope of savings bank investments, I felt that the time was then fully ripe when the scope of investment securities for savings banks in the State should be enlarged; and what I then felt I continue to feel with an increasing realization of the absolute need for relief. The banks to-day are carrying 24 per cent. of their assets in the bonds of cities, towns, counties and villages within the State. Now, if to this you add the 46 per cent. which is invested on bond and mortgage, and which, by the way, from the annual report of the Superintendent of the Banking Department, is steadily increasing in volume, you reach a total of about 70 per cent. of the assets of the banks already invested in classes of securities which, in a time of panic or financial depression, rendering it necessary to speedily raise money for the purpose of paying depositors, would be largely unavailable for such purpose. Of course, a certain amount of the city bonds of New York and Brooklyn can be sold during times of panic, but the amount would be limited; and if the bonds were pressed upon the market for sale, the buyers would decline to entertain them at any price other than at a sacrifice.

I have always realized that so long as the banks held $107,000,000 of Government bonds, as we now do, in addition to a reserve of about 6 per cent. in cash on deposit with banks and trust companies, we had an available fund sufficient to cover a sudden and extraordinary drain; but within fifteen years the Government bonds now held will mature, and in all probability be paid off, and the proceeds arising from such payment must be invested in other directions, while under existing laws we are being steadily driven into the investment of moneys coming into our hands in only

two classes of securities—the one being the bond of the cities, towns, counties and villages within this State, and the other loans upon real estate secured by bond and mortgage—and in my judgment it is full time for us to cry a "halt" in this direction. Figures run glibly from the tongue, and it is easy to say that the banks will have $600,000,000 to invest and re-invest within fifteen years; but if you will carefully investigate the subject you will at once agree with me that I have rather under stated than over stated the actual facts. The average annual increase in deposits with the savings' banks is about $23,000,000. Multiply this sum by fifteen, add the maturing amount of Governments now held by the banks, and the maturing obligations in the shape of other municipal and State bonds, and the figures stated by me will be forthcoming. I have taken the trouble to ascertain with care, the amount of securities available for investment in the year 1875, when the present savings' bank law was first enacted; and also the amount of securities available for investment at the present time, and these figures I have had largely corroborated by the financial officers representing the different States and cities in question. I find that there has been a shrinkage in the volume of investment securities available to the banks during this period of time, of over twelve hundred millions of dollars, while the deposits have, during the same period of time, increased from three hundred millions of dollars to six hundred millions of dollars.

Now, gentlemen, the preamble and resolutions which I have offered I hope will be seconded, and I trust they will call forth a full and frank criticism on your part, and if there are any explanations desired from me which I can give you, I trust you will not fail to call upon me to corroborate the facts and figures as stated by me.

THE CHAIRMAN: Is the resolution seconded?

A MEMBER: I second it.

THE CHAIRMAN: Gentlemen, the preamble and resolutions that we have just heard read by Mr. Rhoades and commented upon have been duly seconded and now remarks upon them are in order. I hope the gentlemen speaking to these resolutions will announce their names and also the banks they represent as they speak.

MR. J. HARSEN RHOADES: I would like to hear from Mr. Bradford Rhodes Mr. Rhodes was in the Legislature for two years and had charge of this bill, and knows very well the scope of it; and I would be pleased to know what he thinks of the bill and whether or not he regards the legislation as wise and proper.

MR. BRADFORD RHODES: Mr. Chairman, I came here solely as the President of the Union Savings Bank of Westchester County, located at Mamaroneck, one of the few banks for savings incorporated in the State of New York in recent years. The bank began business the latter part of 1887, and is therefore not yet five years of age. At the present time it is entrusted with the savings of about twelve hundred persons, and while the bank is successful, and doing an excellent work, its progress is greatly retarded by the provisions of existing law governing investments.

As the mover of the resolution, Mr. J. Harsen Rhoades has referred to my having charge of the savings bank investment bill at Albany, I will refer to it very briefly. For three successive terms, 1888, 1889, and 1890, I was a member of the Legislature, the last two terms being Chairman of the Committee on Banks. The savings bank investment bill was introduced in the year 1889, and I presented it again in 1890. Each year the bill met with vigorous opposition. First from strong moneyed corporations opposed to granting wider investment privileges to savings banks, as thereby the banks might become their competitors in the investment field; secondly, came the opposition of City, County and Town officials throughout the state, who were led to believe that local securities could not be floated at so small a rate of interest if the savings banks were permitted to buy bonds of cities outside the state; and lastly, and probably the most obstinate opposition resulted from the lack of understanding among legislators as to the principles underlying the savings bank system of the state.

As I understood it, this meeting is convened not only to discover why the investment bill failed to pass the Legislature, but to emphasize the fact that the measure is required for the stability and perpetuity of the savings bank system. It should be said just here that the bill came nearest passing the Assembly in 1890, toward the close of my last term. If my memory is correct, it only lacked six or seven votes of passage that year.

MR. J. HARSEN RHOADES: Yes sir; that is correct.

MR. BRADFORD RHODES: and the bill would surely have passed that winter had the objections to it been known earlier in the session. The opponents of the measure did not come out in a manly fashion and state their objections, but worked quietly with individual members—their evident purpose being to strangle it by delay. There were numerous public hearings on the bill, all well advertised by the newspapers, and at not one of them did a single person appear to oppose it. On the other hand, savings bank officers from every part of the State came before the Bank Committee, and gave good and sufficient reasons why the depositors in savings banks ask for the relief contemplated under this bill. The gentlemen who are responsible for the management of the savings banks are designated Trustees, who, in turn, elect the officers charged with the immediate supervision of the banks. These gentlemen are trustees in fact, not only in name. The law holds them to a strict accountability in the administration of their trust. They represent the depositors and are competent to speak for them. Another fact worthy

of mention is that the savings banks of the State are most wisely and economically conducted. For verification of this look at the record. In his last annual report to the Legislature (for the year 1891) Bank Superintendent Charles M. Preston says :

"The cost during the past year of managing, caring for and investing the immense sum of $675,742,525 (the aggregate amount of deposits and surplus) by the savings banks of this State is but slightly in excess of one-fourth of one per cent."

You, gentlemen, have reason to be proud of the record made as guardians of the savings of the people. I venture the assertion that not one private trust out of every hundred, in this or any other State, is administered so economically.

In making your plans to press this bill next winter, keep in mind that there are sixty counties in the State of New York, and in only thirty counties are savings banks in existence to-day. This is a big State—an empire indeed—and it sends all sorts of representatives to Albany to make its laws. Emphasize the fact that the number of depositors in the savings banks at the opening of the present year was 1,516,289, and that this great army of savers demand that the grand savings bank system, now on so solid a footing, shall be fostered and maintained for all time. It has been clearly shown that under the existing law governing investments, the banks for savings cannot longer keep pace with the times by maintaining their prestige as safe and attractive depositories for the hard-earned savings of the people.

Even now the banks are not going ahead in anything like the ratio of the increase in population and wealth. For the year 1891, the increase in the number of depositors, or open accounts, was only 38,470 ; it should have been double that number, considering the prosperous times and the rapid growth in population specially in our cities and manufacturing centres.

Let your chief purpose be to impress upon the minds of legislators the beneficent effect of the banks for savings and their real scope and purpose. The prosperity of the State depends much more on the thrifty habits of its general population than it does on the accumulations of a few millionaires. I have faith to believe that public servants, when fully alive to the importance of this fact, will stand as friends and defenders of the system of economy which has done so much for the encouragement and prosperity of the people.

Mr. J. Howard King, President of the Albany Savings Bank. Mr. Chairman and Gentlemen : I am not one of the oldest bank presidents here, but I represent the oldest savings bank in this State, one only excepted. I think the gentleman who spoke last has the correct idea with regard to this matter. We must begin to work from the country towards the Capital if we wish to succeed.

Now, I assume that the resolution that has been offered will pass, and that being true, what will be wise for us to do ?

People are apt to say, " When we get to Albany we are lost." " All is confusion in the Legislature." I know pretty well how matters are conducted there, having lived in Albany the greater part of my life, and know something of the influences that prevail about the legislative halls, and how important it is for a member of the Legislature to reach there with some fixed ideas on the subjects, or some of them, that are likely to come before the body of which he is a member. I would, therefore, propose (although my ideas are rather crude as to details just now) that the Savings Banks of this State should have an organization, and that every Savings Bank should contribute, in proportion to their deposits, a small sum to sustain such organization and establish at Albany or possibly at New York, a Bureau which would look after in a general way, the interests of the Savings Banks of this

State and employ, if need be, during the session of the Legislature, some capable person to go before the respective committees, having in charge our interests. Previous to the assembling of the Legislature I would have placed in the hands of the members such information as would enable them to act intelligently when they reach Albany, and this I would do through the Bureau I would propose to establish. I do not think that this should be done in an extravagant way, by means of highly paid counsel, but I would have some intelligent person who would be willing to give sufficient amount of time during the Sessions of the Legislature to keep the Savings Banks, through this Bureau of Information, acquainted promptly with whatever steps were being taken prejudicial to their interests.

But, Mr. Chairman, I would address every Savings Bank and Savings Bank Trustee in the State, through this organization, asking them to, as far as was in their power, bring to the knowledge of the members of the Legislature, elected from their respective districts, such information on the important question of Savings Bank investments and other kindred subjects as would place them in a position, when they should assume the responsibilities of office, to be well informed upon these questions and not be prejudiced by those influences which too often find way into our Legislative halls.

There are men who go to Albany each year, whether sent by certain of our municipalities or large financial institutions, who have a *great capacity* for influencing the Legislature, and, while I have heard Mr. Rhoades make most capable and irrefutable arguments on the subject which we have come here with the hope of advancing, they have produced little effect, owing, as I believe, to the want of proper information received in advance by the members of these committees whom he addressed, and who had they had placed in advance in their hands proper documentary evidence through the

Bureau, I would have this body recommend, I cannot believe would have been so willing to have passed by Mr. Rhoades' argument unheeded.

Mr. Andrew Mills: Mr. Chairman, I would simply say that in the efforts that have been made to pass this bill, we have come to the conclusion that we have no influence in Albany with our own representatives, and we depend entirely upon the banks located at a distance from New York to agitate this subject at home, to educate their legislators and their representatives, to show them the necessities of this legislation and use their personal influence with those men, and then, I think, there will be no difficulty in passing the bill. If you will notice the vote—I forget whether it was the last legislature or the one preceding—a number of the so-called country members, those from the interior counties, unanimously voted against the bill, and one of their arguments was that the farmer wouldn't be able to borrow any money from the savings bank except at a high rate of interest, if this bill was allowed to pass, and consequently I believe the greatest influence that can be brought to bear upon the legislature, and the greatest aid that can be given in behalf of this bill, can be given by those who are situated at a distance from the cities of New York and Brooklyn.

Mr. Alexander E. Orr: The gentleman who has just taken his seat has somewhat anticipated the Committee on Arrangement, who purpose to submit later on a plan of organization.

With regard to the propositions now before the meeting, I think the true difficulty, and I believe this, the more I examine the question, exists more because of the ignorance of the whole subject by the legislature than from a disinclination on its part to do that which, in the judgment of savings bank officers and trustees, is deemed most essential in furthering the purposes and uses of savings banks. I have arrived at this opinion from speaking with some of our Brooklyn

representatives who voted against the bill. They told me frankly that if they had known as much about its provisions as they do now, instead of voting against it they would have voted for it, and they also stated that they believed a very large proportion of that vote was the result of a like ignorance.

What we ought now to work for, in my judgment, is the enlightenment of our legislative members from two standpoints: First, from the standpoint of the benefits that the savings banks are conferring upon small investors and the working classes; and, second, the benefits these legislators themselves derive from the depositors, who are their, as well as our, constituents. I have not hesitated to use arguments from the latter standpoint, and to present facts in their support that are certainly interesting, although not generally understood to exist. There are savings bank accounts in this State equal in number (in fact rather exceeding the number) of voters resident in the State of New York. If you will examine the records of the last Presidential election, you will find that there was about 1,320,000 votes cast, and in the same year (1888) there were about 1,323,000 open savings bank accounts in this State, and the records of each, for the past ten years, show that the savings bank accounts have increased almost in the rates of increase of the votes cast in the State of New York. Now, a great many of these accounts represent females. Suppose, therefore, we divide the vote by two (representing the female from the male depositors) and we have 661,500, Then, assuming that there are a good many duplicates, and a good many more represent boys, we again divide these figures, which represent the male depositors, by two, so as to get the men, we have very nearly three hundred and fifty thousand voters in this State who are directly interested in the outcome and welfare of our savings banks. If these facts were properly brought to the attention of our law makers, and they realized

their obligations to a large portion of their constituents who rely on the savings banks to care for their savings, there would be an immense influence brought to bear in the right direction, which would be very fruitful of results.

I look upon the Savings Bank system as a civilizing and elevating influence coming next in value to the church. I consider it a much more protective factor towards insuring good citizenship than the police force of our cities, because my experience is that when a man begins to acquire property (however moderate in amount it may be), he is law abiding and orderly, and when he understands that his vote may have a direct influence upon that property, he is more careful in the exercise of the franchise right. I, therefore, say to you, gentlemen, Savings Bank officers and trustees now present, that you possess an immense power—an immense leverage—if you choose to exercise it—in the line of beneficial savings bank legislation for your depositors have your confidence, and will support your judgment and further their own interests when called upon by you to do so. In view, therefore, of this, the committee will bring to your attention another proposition, after we have disposed of the resolutions under discussion, which tends towards the enlightenment of the savings bank depositor as well as the legislator, and which we trust may prove beneficial to both.

With regard to resolutions now under consideration, permit me to say a few words more before taking my seat. The additional scope asked for is of the most conservative character. The deposits now amount to about $588,000,000, and the increase of the investment range is only asked to be operative over 25 per cent. of this amount. In other words, existing laws shall continue to obtain over $441,000,000, and the enlarged scope given only to $147,000,000. The principal objections came from the municipal officers of our large cities, who seemed to fear that they would have been

placed at a disadvantage if the bill had passed. But this is not so; there is money and to spare for all their needs; the figures prove this, and then they should remember that the patrons of savings banks—largely composed of the voters who placed them in office—have rights that they are bound to respect. It is an interesting fact, that can be easily demonstrated, that the cities of New York, Brooklyn, Buffalo, Albany and Rochester have in the aggregate a savings bank account for every three persons (men, women and children) of their population Surely these are conditions that elective officers should ponder over, and give more than ordinary consideration to proposed action before committing themselves, as the tendency of the times is that sooner or later each man in official position will be called upon to give account of his stewardship.

Mr. J. A. Roosevelt.—Mr. Chairman: I don't think we should confine legislation to anything of that kind; I think it hasn't gone far enough, and the only criticism I have to make on it is that it don't give scope enough. Of course we will be met by still more powerful opposition to it, such as we met here in the city of New York, but I think we could extend the scope of investment very much beyond what Mr. Rhoades has proposed, and I should like to know whether it is intended to confine that Committee to these particular investments, or whether this is merely a ground work. That would be one question I should like to ask.

And then, with regard to Mr. Orr's remarks, I don't think Mr. Orr has gone far enough upon one of the most serious objections that comes up against any legislation in this way. I have been approached by gentlemen of intelligence who have perfectly astounded me by saying, "Why, your bank has got $40,000,000 of deposits; what a splendid stock that is to own."

Mr. Orr: That is ignorance.

Mr. Roosevelt: I speak now by the record, and I have had that remark made to me by men fully up to

the average intelligence, and I think that our *depositors* as well as our legislators and the community in general all agree in that sentiment, that we are making entirely too much and are getting too large dividends on our capital, not knowing that the depositors receive all that is made.

Mr. J. Harsen Rhoades: I would say, Mr. Chairman, in answer to Mr. Roosevelt, in answer to the question he puts as to whether it is proposed to limit our investments just within the scope of this proposed bill—is that it?

Mr. Roosevelt: Yes, whether in view of appointing this Committee to represent us we look only for legislation to that extent, because I think that the Committee ought to be given more latitude than that.

Mr. J. Harsen Rhoades: I would ask Mr. Roosevelt if the question he puts is—whether it is proposed to permanently limit our investments within the scope of this proposed bill.

Mr. Roosevelt: Yes, whether in view of appointing this Committee to represent us, we look only for legislation to that extent, because I think that the Committee ought to be given more latitude than that.

Mr. J. Harsen Rhoades: This necessarily opens up a new subject. Of course, the gentlemen here are waiting to know something of the full scope of this movement; in other words, what suggestions this special Committee have to make. And it is proper to state here, in order that you all may vote intelligently, that the Committee do not propose to the savings banks at the present time to create a close organization or to make an organization such as will call for the appointment of a president, secretary, treasurer, etc. This movement on our part is a new departure, and what effect it will have upon the general public and the press we do not know. We are acting simply as trustees for poor people and the working classes, and there is no need that we should have so close an organization as

has been effected between the banks of deposit in this city ; therefore, it has been considered expedient not to attempt at this meeting to make a permanent organization governed by by-laws, rules and regulations, etc.

But it is to be proposed that a committee of twenty-five be appointed, made up from the presidents or officers of the Saving Banks in New York, Brooklyn and throughout the State ; that this Committee shall have power to observe legislation at Albany and take action upon any and all matters that come up affecting the Savings Banks, with power to call this body together ; and with the further power, whenever any matter comes up which they deem to be of sufficient importance, to take action such as will secure the co-operation of all the banks in the State. It is to be suggested that this Committee shall have power to fill vacancies in their own number, and that they shall continue in office until the next meeting of this body, the idea being that before we adjourn we resolve to have another general meeting of this body about a year from this time. Now, these are the suggestions which will be presented to you on the part of the Special Committee who have had the matter in charge ; and, therefore, in answering Mr. Roosevelt, I would simply say that his question covers a subject which will naturally come before the Standing Committee, if appointed, for discussion, and, if necessary, for action. There is no doubt, in my own mind, nor do I think there is any doubt in the minds of most of us here present, as to the fact that in the end, as years go by, we must have greater relief in the way of investment than we can possibly receive under the scope of any such bill as is now proposed ; but all steps to this end must be taken with care, with judgment, and will of necessity be slow, and only after we have succeeded in educating the press and the public at large as to the absolute need for relief and the absolute security of the

investments desired by the banks. How far it is wise to go at the present time is a matter for you, gentlemen, to determine, and whether it is wise to consider this proposed bill in its entirety or to leave out a portion is a matter for your own judgment and not mine ; but it will undoubedly be the duty of your Standing Committee, from time to time, to carefully consider the entire subject, receive suggestions from the banks whenever they desire to make them, and to lend their aid in favor of all wise and good legislation upon this subject.

Mr. E. A. Quintard, President of Citizen's Savings Bank of New York : Mr. Chairman, Mr. Preston, the Bank Superintendent, is present, and I suggest that we should be glad to hear from him, and that he will be glad to make a few remarks.

Mr. Charles M. Preston, Bank Superintendent : Mr. Quintard is a little mistaken in the belief that I shall be glad to make some remarks on this subject or on any subject affecting banking interests, because in the invitation which has been extended to me there was no intimation that I should be expected to make any remarks here, and consequently I have not prepared a speech.

I have listened to the remarks, however, that have been made here in regard to this matter of enlarging the scope of Savings Banks investments. That is a matter which I have heard a good deal about and have talked a good deal about with the Bank Presidents of the State. The matter has been up in the Legislature for the last three or four winters. Mr. Rhodes, when he was there, introduced a bill and of course it met with wild opposition from the start. The principal objections to the bill are these, as I understand it : The people from the rural districts seem to think that if this bill is passed as proposed, it will cripple the loaning of money or the obtaining of money upon real estate mortgages and that it will also cripple them in

placing their county bonds, that the Savings Banks will go outside of the State, then, and invest so largely that there will be no margin with which to take care of the securities offered by this state at a low rate of interest. Then I understand that there is objection from the authorities of the City of New York here in the same line, and that they think if this bill is passed it may interfere with their placing their bonds here at so low a rate of interest as they are now doing. Then there other people who remark that the time has not arrived yet for legislation of this nature; they examine the Savings Bank report and they find that last year the Savings Banks increased their deposits to the amount of over $13,000,000 and that the available fund held in the various savings banks of the State only amounts to a little over seven and a half per cent. However, there are fifty-three banks, I desire to say here, in the State, that have more than the ten per cent. allowed them uninvested, and the aggregate amounts to about $3,000,000. The aggregate surplus of the State for the last year on par values has gone ahead over $5,000,000, notwithstanding the fact that in the aggregate the Savings Banks have paid nearly three and a half per cent. interest. Well, they urge these as a reason why this bill should not pass to day, that there is no necessity for it. Well, of course there isn't quite as much neccessity for it now as there will be within the next two, five or ten years, when there will be a very marked necessity, and probably before that time.

Now I think that this idea of organization on the part of the Savings Banks is a capltal one. I haven't any doubt, that if you effect this organization this year, you will pass this bill next winter. The bill passed the Senate this year and came very near passing the Assembly. If the Assembly had had one or two more days of session, I haven't any doubt that the bill would have gone through. You

know we passed a new banking law this year which relates to all the moneyed institutions that are brought under our department, and to show the inertia that exists in the Legislature, nobody was opposed to this bill after it had been settled and agreed upon in committees—and yet it seemed to be utterly impossible to get that bill before the House I spoke to the Revision Commissioners who had it in charge continually, asking them as the weeks rolled round and it came near the day of adjournment. "How about our bill?" "Oh," they said "we are trying to get it through" but for this reason or that reason nobody could push it. The chairman of the banking committee was running for Mayor of Cohoes * * and he was away, and it wasn't courteous for anybody else to bring it up, and this reason and that, and finally the week before adjournment I concluded something ought to be done, and I went there and spent three days and got them to bring the bill up and pass it.

Now I think some action like that on the part of the Savings Banks, some concerted action by parties who will appear there representing these interests, who will see these members and get the people in their respective localities to see them, will do good. You people here in New York can just as well fix it so as to make it satisfactory with the organization which controls the political complexion of the Legislature so far as this city is concerned. I believe that these people do not understand this question, notwithstanding there have been committees up there, as Mr. King has said, two or three times, that have spoken to the committees, but while the committees for the time being properly get the idea and are favorably impressed they do not seem able to disseminate it so that in the body at large there seems to be no real information upon the subject. I believe that by organizing and pushing this matter the same as you would push anything else that you really wanted, this bill can be passed next year. The

same Senate goes back next year that was there this year, and it passed that Senate by, I don't know just the majority——

Mr. J. Harsen Rhoades: Twenty-one to seven, I believe.

Mr. Preston: Twenty-one to seven. Well, that is a good majority.

The Chairman: If there are no further remarks, I shall proceed to put the question to vote. Gentlemen, the resolution is now before you. All in favor of its passing will signify the same by saying aye; contrary minded, no. It is carried unanimously.

Mr. Quintard: I differ with Mr. Rhoades a little. I propose that we go into an organization here and now, for President, Vice-President, Treasurer, Secretary and such committees as may be deemed advisable; I think it would have a great deal more weight if we go into it now and ask as a body.

Mr. Orr: Mr. President, before we do that, wouldn't it be well that an opportunity be afforded the committee who had charge of this matter to present what they have prepared, and then after that, take up any change or amendment that may be suggested. I would ask, therefore, to be allowed to present the form of circular which we have thought proper to present to you for circulation among the depositors in savings banks, because of their lack of knowledge, and in many instances absolute ignorance of what constitutes a savings bank, what is its privileges and what its obligations. We believed that if we formulated some kind of circular that would be acceptable to this meeting, for distribution to depositors, it would be a step in the right directions It reads as follows:

Resolved, That in order to more thoroughly inform the depositors in the savings banks of this State as to the real nature and character of the business transacted by the banks, and their true relation to the public at large, to correct misapprehension and to secure the moral support and co-operation of depositors

in regard to all efforts made to obtain wise and proper legislation on their behalf, or to defeat such as is onerous or destructive in its character, and also in order to properly acquaint depositors with the need for a safe and proper extension of the powers granted for the investments of the savings intrusted to our care, the following circular be prepared and distributed by the banks to their depositors:

Savings banks are benevolent institutions, created for the purpose of encouraging thrift and the habit of saving on the part of the working classes.

They have no capital and issue no stock.

All the earnings belong to and are held for the benefit of the depositors.

The trustees, as a rule, are successful business men of mature age and sound financial judgment, who give their services gratuitously, and are not allowed to borrow, directly or indirectly, any of the moneys deposited.

Under the law interest can only be paid on sums not exceeding a total deposit of three thousand dollars from any one depositor.

Surplus earnings after paying dividends are allowed by law to be assimulated to the extent of fifteen per cent. of the total amount on deposit, in order to insure to the depositors the full return of their principal and interest in the event of loss arising from depreciation in the market value of the securities owned by the bank, or from any other causes whatsoever.

So-called "unclaimed deposits" are those in which no transactions have been had by depositing or withdrawing moneys during a period of twenty-two (22) years, at the end of which time interest ceases to be credited. The amount of such deposits in the aggregate is not large and consists mainly of small balances. Until called for, the interest earned on such deposits accrues to the benefit of all the depositors by being added to the surplus of the bank.

The total deposits in the banks on Jan. 1, 1892, were

$588,425,420. Of this amount about 16% is invested in United States Government Bonds. 24% in the bonds of cities, towns, counties and villages in this State. 8% in the bonds of States in the United States. 46% on bond and mortgage secured by real estate located within the State of New York. 6% in cash on deposit with banks and trust companies.

The average annual increase of deposits in the savings bank is about twenty-three millions of dollars.

Within the coming fifteen years it is estimated that the banks will have to invest and reinvest at least five hundred millions of dollars. About one hundred and seven millions of dollars of Government bonds now held by the banks will mature during the coming fifteen years. State debts are decreasing in amount and the limit, by law, for investments on bond and mortgage is being rapidly reached. To insure a continuance of the rate of interest now paid to depositors and to enable the banks to prudently invest the large sums coming into their hands, it is absolutely necessary that the Legislature should give increased powers of investment to the banks. To this end a bill has been introduced into the Legislature and advocated to permit the banks to purchase, under very rigid restrictions, the bonds of the principal cities in the United States. This bill has been approved by the officers of the banks, the Superintendent of the Banking Department at Albany, the New York Chamber Commerce, and largely by the Press in the State. No valid objection has been raised to its passage. The only reason given by those opposed to its passage is that it will enable the banks to invest a portion of their assets outside of the limits of this State, and by causing a lessened demand for the bonds of the cities, towns, counties and villages within the State, increase the rate of interest now paid by these municipalities.

The Trustees of Savings Banks, conscious of the character of the trust imposed upon them, and realizing their obligations to their depositors, do not hesitate to indorse this bill as one calculated to give relief in a direction that will not impair the admirable protective provisions which now surround Savings Bank investments.

Mr. J. Howard King: You propose to distribute that to the depositors of the savings banks throughout the State.

Mr. Orr: Yes, sir; a circular of this character given to the different banks and then through these banks distributed to their own dispositors.

Mr. King: It is an admirable circular, and I feel that the savings banks of the State are greatly indebted to the gentlemen who prepared it, and who have done so much for some years past to sustain the general savings bank interests of the State before the Legislature, but, I should think it was better that such a document should be given to every member of the Legislature, who would be called upon to vote on these questions that relate to the best interests of the depositors, rather than to the depositors themselves

In my opinion, it is entirely above the comprehension of the average savings bank depositor, and I cannot but think of the effect it would have upon some of the Italian. German, Irish and Chinese depositors which the Albany Savings Bank has. Whatever the association may see fit to give to the depositor, it should be of a much simpler character and more condensed.

Now we have (I feel some hesitation about saying this in his presence) a Superintendent of the Banking Department, and the only one I can remember of late hears, who seems willing to go forward and recommend to the Legislature something that is really needed rather than rely on the "Let well enough alone" policy. In my judgment the examinations which the superintendent is now making of the savings banks is worth more to the depositors, and if known by them, will give them much more satisfaction than a mass of

figures which I cannot but believe, are far above their comprehension.

The misfortunes that have arrived to some of the savings banks in tke State recently, I look upon as "blessings in disguise," in so far as it has done away with the wholesale examinations that were formerly made.

As one of the gentlemen who preceded me, said, "Now is our time." There will not be, in many a day, such another gathering as this. Get this association of savings banks in working order before the Fall elections. Let the association be in communication with each bank and with its trustees, and through them let us hope to produce such an influence by united action, upon the Legislature, as will be irresistible, for it will be for the right and for the best interest of every depositor in every savings bank in the State.

Mr. Orr: Mr. Chairman, The depositor, I notice, has a good deal of intelligence when looking at the amount of interest he receives, the character of the security he gets, and then the character of the men who are interested in taking care of the bank in which he makes his deposit. I chance to be the President of a bank that has between twenty-seven and twenty-eight thousand depositors. When we make a report to the Superintendant, we always print off enough of those reports in a condensed form, giving the gist of it, and have them ready to give to each one of our depositors when he calls at the bank. We find that they always ask for them, and I have no doubt that they study them.

Now, I don't see anything in that circular that is not absolute information to the depositor, and if there is anything that he can't get through his head, he will ask about it. There is a great deal that he has not been informed about, and there is a great deal of ignorance therefore which our friend here on the left stated exists not only with the depositor, but also with

the intelligent man, the business man, who is continually in contact with the trustees of savings banks, and who is himself capable and eligible for the position of trustee. Now, the idea of this circular was not to confine it to the savings bank depositor alone, but to get up something that would enlighten and instruct all along the line, and when the time came to put it in the hands of the legislator. he would receive it with the knowledge that the information which we were imparting to him had already been imparted to many of his own constituents. That is the purpose we had in view; it is simple, it is plain, and although there may be some figures there that perhaps might stagger the Chinese, or the Japanese, or the Irishman, who lacks education, I will venture to say that a very large proportion of our depositors, intelligent people, clerks, young men who are coming forward and who are earnest to save and create thrift, will study such a paper as that, and be ten times better prepared to exercise their franchise rights, should we ever have occasion to call their attention to the exercise of those rights, than they would be without such documentary information.

Mr J. Harsen Rhoades: I have but one word to say in regard to the advisability of issuing such a circular, in addition to what has been said, which I heartily endorse. The one trouble we have to contend with now, so far as our depositors are concerned, is their thorough ignorance of the real nature of a savings bank, and therefore when a public official or a leading newspaper attacks any legislation proposed by the banks, as has been done in this case, they believe what is said. When, therefore, this legislation was called "wild-cat" legislation, there were thousands of depositors in thd City of New York who undoubtedly said to themselves, "Why! This newspaper is my friend—this public official is my friend—and I am very glad they are taking the position they do."

We have got our money in the banks and we do not propose to have those who manage them rob us of the whole of it.

Now, here is the trouble: We stand in the eyes of thousands of our depositors as their natural enemies to the extent that they suppose that we make money out of their deposits, and, therefore, it is important for them that they look out for their "end of the rope" while we are trying to take care of the other end; and it is for the purpose of teaching these depositors the nature of a savings bank and why they were created that we think it advisable that a circular of the nature proposed should be printed and issued to the depositors.

When I was in active business one-half of the clerks in my store imagined that a savings bank was a corporation controlled by capital and issued stock on which a large profit was earned, and that the management was a very profitable operation to those engaged in transacting the business of the bank. Within thirty days I have had a painter, an intelligent Englishman in my bank, come to me and say: "Mr. Rhoades, it was only yesterday that I knew what a savings bank really was. I was downtown and saw Mr. ——, who is a lawyer, and for whom I am doing some work, and I asked him if he could tell me what the nature of these savings banks were. Whether they had any capital and what their stock was worth. 'Well,' said the gentleman, 'I declare I do not know. Let us look at the law.'" And so he went and got down his law books before he was able to explain to my painter friend the nature of a savings bank. Now, in the face of such ignorance as this (and this ignorance is not confined to a few) is it not wise and proper, and is it not necessary that we should disseminate knowledge among our depositors? So far as I am personally concerned, I would be glad to take ten or twelve thousand copies of such a circular as has been proposed, and there would

not be a savings bank-book presented at my bank but what would have a copy of the circular in it when it was returned to the depositor; and more than this, many of the facts contained in this circular will hereafter go on every annual card which is distributed to the depositors in the bank of which I have the honor to be the president. I see the ignorance and I know the advantage to be gained, if we rightly exercise it, of educating the depositors and making them realize what the true relations are which exist between the officers and trustees of the banks and themselves as depositors within the banks. Make these depositors our friends, and when we have them made our friends and they have confidence in us, you may rest assured that the newspaper press may cry "wild-cat" legislation as much as they choose, and it will have little or no effect upon them.

Mr. Charles S. Jenkins, of the Newburgh Savings Bank: Mr. Chairman, I think it would be a first-class idea to distribute this circular not only to the depositors of savings banks, but also to the legislators, especially the assemblymen. I think it is quite important to inform the lower branch of the Legislature of this State in regard to what a savings bank is as it is to instruct the depositors.

Mr. Rodgers of Binghamton: Mr. Chairman, in my opinion that proposed circular is altogether too long. The average depositor won't read it through. If it could be cut in two and the information in the first half of it boiled down so that it would go on one side of a postal card, then you would get him to read it. I think it could be condensed and would be very useful in that shape. As one of the gentlemen who preceded me has said, it would be a proper circular to send to a legislator. According to my observation and experience, the better way is to go to our legislators—to go to our member of Assembly and spend a half an hour with him or an hour and inform him what a sav-

ings bank is, and I have found it was necessary to do that over and over again ; every new member who is elected wants some instruction in that respect ; the amount of ignorance concerning Savings Banks is astonishing. They have asked me now much the stock of our Savings Bank pays. Their usual impression is that I have run it for five years on a salary of $25,000 a year.

Mr. William C. Sturges, President of Seamen's Bank for Savings : I should like to ask a question. Would it be expected, in good faith, that all the savings banks would issue that circular to their depositors, or will they be at liberty to use their own discretion ?

Mr. Orr : The resolution is, such savings bank as ask for it shall receive the number of copies they require.

Mr. Sturges ; Then it will be understood that those who do not ask for it will not be considered indecorous in not issuing this circular. My opinion about that matter is, that the circular is entirely too long and too voluminous for depositors ; it can be boiled down very materially. We could issue a circular that would instruct our depositors and at the same time be very much more concise than that is and still give all the information necessary for the purpose which we intend.

Mr Bates : Mr. Chairman I am in a savings bank, and I want to say that the remarks of this gentleman accord with my ideas. My experience is that most depositors don't even read the laws in the books. They don't know when to make deposits or when the interest is due, and they don't know who the trustees are, and I must agree with him that it is entirely too long. And then again, this seems to me like an extraordinary expense. Have we a right to charge this to our expense account ? I should like to ask the Secretary what he thinks in regard to that.

Mr. Orr : I would suggest this, that as there seems to be merit in it, it be referred with power, to whatever organization we formulate, and that through them

it shall be made acceptable, and then that such banks as wish to have the circular may call for it.

A Member : I second the motion.

The Chairman : It might remain in abeyance until we have got through with other business and until we reach the point where the committee is appointed. Won't that answer ?

Mr. Orr : Yes.

Mr. Rodgers : It seems to me that a matter of detail should be left to some organization or committee, and let them plan out the proper scope to address to depositors or legislators. We want some kind of an organization, and I would appoint a committee for that, if that will be effective. I don't know that there is any law for using the funds in a bank for this purpose. We officers can pay the expenses with a small amount of money and ask our members of Assembly to vote for such a bill and to vote to increase the scope of investments. I venture to say that 95 per cent of our depositors can read and write and know about the laws and the bank and the men who run the bank. They are the officers' friends and neighbors and they have confidence in their management, and such a cicular as that, I think, 90 per cent of our people would read. I should like a few thousand for our depositors and would be willing to pay the expense of printing them. But all these things should be left to an organization; we are too large a body to discuss them.

A Member : I move we proceed to an organization.

Another Member : I second the motion.

Chairman : It is moved that we now proceed to an organization. All in favor of that motion, will signify the same by saying aye; contrary minded, no; I think the motion is carried.

Mr. J. Harsen Rhoades; On behalf of the Committee, I will make the following motion :

Resolved: That a Standing Committee of twenty-five

be appointed, nine of whom shall be selected from the officers of banks located in the City of New York, four from Brooklyn and twelve from banks located in the interior of the State, of whom eight shall constitute a quorum for the transaction of business.

This Committee shall hold office until the next general meeting of the Savings Banks Officers of the State, or until their successors shall be appointed. Such Committee shall have power, in the interim, to fill vacancies among their own number and to call special meetings of this body. It shall be their duty to consider all matters that may arise affecting the interest of the depositors at large, or to which their attention may be drawn by officers or trustees of any bank within the State, and to secure the co-operation of the banks in reference to such matters as they may deem to be of sufficient importance to require action on the part of all.

The Committee thought it advisable to name eight as a quorum for the transaction of business, owing to the difficulty of securing a full attendance of members while it was deemed wise that thirteen or a majority of one of twenty-five should be selected from banks either in New York City or Brooklyn. These, however, are all matters for full discussion and close criticism on your part.

It will be noticed that the powers given to the Committee are general and not closely defined. It was purposely intended that this should be so in the absence of a close organization governed and controlled by regularly appointed officers, and because the duties of the Committee must of necessity be general in their character.

The other resolution is:

Resolved, that it be referred to the Standing Committee to consider the advisability of effecting a permanant organization of the Savings Bank officers of

this State, with power to formulate a plan and to report to the banks at their next general meeting.

A Member: I should like to make a further suggestion: Instead of "the interior of the State" which seems to be a vague expression, say "the rest of the State."

Mr. Rhoades: I accept that, sir, without hesitation.

The Chairman: Gentlemen, remarks upon the resolution that you have just heard read by Mr. Rhoades are in order.

A Member: I move the adoption of the resolution.

Another Member: I second it.

The Chairman: It is moved and seconded that the resolution just read be adopted. All in favor say aye; contrary mind, no. It is carried.

Mr. Orr: In order to facilitate business, I would ask how that committee should be appointed; and I would suggest in that connection that, whoever has the power of appointing that committee, it be not appointed at the present moment. It is a serious matter and we want to be careful how we make up the committee. The appointment of the committee is the first business.

Mr. Andrew Mills: I would move that the resolution as to the proposed circular of information be referred to the Committee of Twenty-five, with power.

A Member: I second the motion.

The Chairman: You have heard the motion, that the resolution appertaining to the circular of information which has been canvassed be referred to the Committe of Twenty-five, which it is proposed to appoint. All in favor of that motion, will signify the same by saying aye; contrary minded, no. It is carried.

Mr. Orr: Mr. Chairman, I would move that the chair consider and appoint the members of the committee.

A Member: I second the motion.

The Chairman: It is moved and seconded that the appointment of this committee be referred to the chair;

all in favor signify it by saying aye; contrary minded, no. Carried.

Mr. J. Harsen Rhoades: Mr. Chairman, I move you that when we adjourn, we do so to meet in the City of New York, during the month of May, 1893, on such day and at such place as the Standing Committee may determine.

Mr. Andrew Mills: I second that motion.

Mr. Orr: I understand that that doesn't include a meeting called by this Committee?

Mr. J. Harsen Rhoades: No, sir. The resolution simply provides for the next general meeting of this body, leaving the power to call a special meeting in the hands of the Standing Committee; and therefore any action taken upon this resolution is entirely independent of any action which might be taken by the Standing Committee calling for a special meeting of this body.

The Chairman: Gentlemen, you have heard the motion and you all understand it, that when we adjourn to-day we adjourn to meet one year hence in the city of New York, in the month of May. All in favor of that motion will signify the same by saying aye; contrary minded, no. Carried.

Mr. J. Harsen Rhoades: I move you, Mr. Chairman, that the first resolution that I offered, the resolution which was to go to the Legislature and copies to be sent to the Superintendent of the Banking Department, Governor of the State, etc., in regard to extending the scope of savings bank investments, be referred to the Standing Committee with power to have the same printed and distributed in accordance with the directions contained within the resolution.

Mr. Orr: The resolution said so.

Mr. Rhoades: Did I present that portion of it?

Mr. Orr: Yes.

Mr. Rhoades: Then I withdraw the resolution just offered.

A Member: I would like to inquire, Mr. Chairman, if you are to name that committee to this body, or is it expected to be left to the future?

The Chairman: I would deem it wise if the chair had some little time to consider the matter unless it is the opinion of those here present that the committee should be appointed to-day; if so, I am ready to act, and perhaps it is better to do so.

Mr. Andrew Mills: Before the committee is appointed, I would like to make a motion, Mr. Chairman, and that is that I consider it of the greatest importance to the interest of the savings banks of this State that the Chairman of this meeting should be one of that committee, and thinking that he might have some delicacy in appointing himself, I would make a motion that the chairman of this meeting be a member of the Committee of Twenty-five. All those in favor will signify by saying aye; contrary, no. It is so ordered.

Mr. J. Harsen Rhoades: Now, sir, in order to accomplish the object of the resolution which has just been passed, and desiring to be entirely courteous to the Chair, so far as the Chair is to select the committee, I would suggest either that we take a recess of ten or fifteen minutes to give the Chair opportunity to properly compile the names constituting the Standing Committee, or that the matter be referred to a committee of three, the Chair to be one of them, to select the committee. In either case, I move you that we take a recess of fifteen minutes in order to give the Chair an opportunity to select the committee.

The Chairman: Gentlemen, you have heard the motion. Those in favor will say aye; contrary, no. Carried.

The meeting then took a recess for fifteen minutes.

The Chairman called the meeting to order again at 3.30 P. M.

THE CHAIRMAN: Gentlemen, I will now read for you the Standing Committee; I think that a resolution should be offered increasing it one.

MR. J. HARSEN RHOADES: As I made the motion originally, I would move that the number be increased from twenty-five to twenty-six, in order to take in the principal cities throughout the State, giving each a proper representation. This will give nine members from New York, four from Brooklyn and thirteen from the rest of the State, making twenty-six in all.

MR. ANDREW MILLS: I second the motion.

THE CHAIRMAN: It is moved and seconded, that the Standing Committee be increased to twenty-six; all in favor say aye, contrary, no. It is so ordered.

I will read the names of the Committee.

NEW YORK.

Edward Wood, President Bowery Savings Bank.

Merritt Trimble, President Bank for Savings.

William C. Sturges, President Seamen's Bank for Savings.

Philip Bissinger, President German Savings Bank.

Andrew Mills, President, Dry Dock Savings Institution.

John Harsen, Rhoades, President Greenwich Savings Bank.

E. A. Quintard, President Citizens' Savings Bank.

William H. Slocum, President East River Savings Institution.

James McMahon, President Emigrant Industrial Savings Bank.

BROOKLYN.

Henry P. Morgan, President Brooklyn Savings Bank.

John W. Hunter, Treasurer Dime Savings Bank.

A. E. Orr, President South Brooklyn Savings Institution.

J. V. Meserole, President Williamsburgh, Savings Bank.

BUFFALO.

Robert S. Donaldson, Treasurer Erie County Savings Bank.

ROCHESTER.

Sylvanus J. Macy, First Vice-President Rochester Savings Bank.

SYRACUSE.

Edward S. Dawson, President Onondaga County Savings Bank.

UTICA.

A. C. Miller, Treasurer Savings Bank of Utica.

TROY.

C. E. Hanaman, Treasurer Troy Savings Bank.

ALBANY.

J. Howard King, President Albany Savings Bank.

HUDSON.

Samuel R. Rainey, Secretary Hudson City Savings Institution.

POUGHKEEPSIE.

David C. Foster, President Poughkeepsie Savings Bank.

NEWBURGH.

Chas. S. Jenkins, President Newburgh Savings Bank.

AUBURN.

E. H. Townsend, Treasurer Auburn Savings Bank.

BINGHAMTON.

Harris G. Rodgers, Treasurer Binghamton Savings Bank.

WATERTOWN.

F. W. Emerson, President Jefferson County Savings Bank of Watertown.

YONKERS.

S. Emmott Getty, Secretary Yonkers Savings Bank.

WILLIAM N. S. SANDERS. of the Albany County Savings Bank: Mr Chairman, during the pendency of the Act to extend investments last winter in the Legislature, I tried in a small way to take a part in the advocacy of that bill, and in the course of my experience in the Legislature, I became aware of the fact that the Superintendent, Mr. Preston, was of the greatest possible service in the advocacy of that measure. The moment a member of the Assembly was approached, or a Senator, the first question asked was "Well, how does the Superintendent stand?" He was very largely instrumental in the passage of that bill in the Senate. I was present with Mr. Preston on the floor of the Assembly when it was the question of almost the toss of a copper whether that bill would pass or would fail, the day before the adjournment of the Assembly, and Mr. Preston spent to my knowledge over two hours in personal solicitation of the members of the Assembly in endeavoring by every argument at his command to secure the passage of the bill so much desired by the Banks of this State. Now having a knowledge of Mr. Preston's kindness in the matter, and as a matter of simple justice to him for the marked manner in which he aided us, and his endeavor to do so, I move that a vote of thanks be extended to him for his efforts in that direction, and that the Secretary be directed to convey that vote to him after the adjournment of this meeting.

MR. ORR: I second the motion.

THE CHAIRMAN: Gentlemen, you have heard the motion of Mr. Sanders, seconded by Mr. Orr, that our Secretary be instructed to send a letter to our Bank Superintendent, complimentary in regard to his aid to the banks of the State in the legislation they have sought for and the sympathy he has expressed in that direction. All in favor of that motion, will signify the same by saying aye; contrary minded, no; it is so ordered.

A MEMBER: Mr. Chairman, I propose to send a copy of the proceedings of this meeting to each of the press.

THE CHAIRMAN: It would say that the press are represented here and that a report of the proceedings will be made.

MR. J. HARSEN RHOADES: I move that the Chairman of this meeting be authorized to call together a meeting of the Standing Committee of Twenty-six. You have appointed your Committee, but the question is who shall call it together. It has been suggested, and I think it proper, and I move that that the Chairman of this meeting be the one to call together at a proper time the Standing Committee so appointed.

MR. MILLS: I second the motion.

THE CHAIRMAN: Gentlemen you have heard the motion. All in favor will signify the same by saying aye; contrary minded, no. It is so ordered.

MR. MILLS: I would move that the thanks of this body be, and are hereby tendered to the Chamber of Commerce for the courtesy extended in allowing the use of their rooms for the purposes of this meeting, and that a copy of this resolution be sent to the Secretary of the Chamber.

A MEMBER: I second the motion.

THE CHAIRMAN: All in favor, will signify by saying aye; contrary minded, no. It is so ordered.

MR. J. HARSEN RHOADES: Before we adjourn it has occurred to me, while we are here, that we might like to discuss the new collateral inheritance tax law. The law is a very important one, but I do not know whether it is necessary for us to consider the matter at the present time. I will, therefore, not make a motion, but simply call the attention of the gentlemen here present to the law. I do not know whether there is any need for taking concerted action in regard to it. I think we all understand the law. If not, I will state it. There has been a new collateral inheritance tax law passed by the Legislature at the last session, which provides that all banks, trust companies, safe deposit companies, corporations (person or persons) having in their possession the property of a deceased person shall not turn over such property to the heirs, administrators or assigns of such deceased person without first giving the officer who has the power of collecting the inheritance tax (in this city it is the Comptroller — elsewhere I do not know who is the principal authority).——

MR. MILLS: The County Treasurer.

MR. RHOADES: Without giving him five days' notice in order to afford an opportunity to examine such property before it is turned over. This law is creating a great deal of feeling and considerable excitement with certain institutions in the City of New York. Some banks do not even know what to do in regard to transferring stock belonging to the estate of a deceased person. The lawyers are put to their wits' ends to know just how to interpret the law. It is affecting the Safe Deposit Companies very seriously. The question has arisen how far the law affects the deposits of deceased persons in savings banks—whether when the depositor dies, before the banks can pay over the balance due to the legal representative representing the depositor, we shall not have to notify the proper officer of the existence of the account and the amount due upon it. Within a few days I have understood that the Comptroller of this

city, who collects the tax here, receiving a commission of 5 per cent. for making such collections, has stated that the law does not affect bank balances, but that it is only intended to cover securities, bonds and mortgages and other classes of personal property held by institutions or individuals. So far, the bank which I represent, has paid no attention to the law, and, in fact, I have felt that the law was unconstitutional and regard it as iniquitous in its character. It is practically turning every person in the State who holds property for another into a spy and a collector for the State. I think the law against public policy; at the same time the law stands on the statute books, and what we shall do about I really do not know.

MR. SANDERS: I think, Mr. Chairman, before we adjourn, we should pass this resolution, which I beg leave to offer, that the gentlemen who proposed this meeting and suggested the organization of the savings banks of this State shall have the thanks of this body, and also the officers of this meeting, and I beg to move that that resolution be adopted.

A MEMBER: I second the motion.

The CHAIRMAN: Gentlemen, this is a motion expressing thanks to the sub-committee, who have had the labor of preparing the matter of this meeting, and who have devoted so much of their time to its business. All in favor of that motion, will signify the same by saying aye; contrary minded, no; it is so ordered.

MR. SANDERS: That motion included the officers of to-day for their faithful performance of their duties.

MR. MILLS: I have a stenographer here, as you have noticed, who has taken down the proceedings and he will have them type written and then printed and sent to every bank in the State.

MR. ORR: I would suggest that the record be sent to each member who has spoken.

MR. MILLS: They will be sent to me to-morrow morning.

Mr. Orr: Mr. Chairman, should any provision be made for expenses? We are entailing a little expense, and I presume that matter can be referred to this Committee, and they can make the proper assessment on each bank for whatever expense there may be, and we ought to make provision for it. I think it comes within the province of the Savings Banks to make provision for it out of the funds of the Savings Banks.

What basis would you make the assessment upon? Upon the deposits in each bank?

I think that might be left to this Committee, and I would make a motion that the expenses relative to carrying out the decrees of this organization be assessed by the Committee appointed in such proportion as they think proper and the banks notified.

A Member: I second the motion.

The Chairman: Gentlemen, you have heard the motion as offered by Mr. Orr and duly seconded; all in favor of its passage will signify the same by saying aye; contrary minded, no; it is so ordered.

A Member: I move we now adjourn,

Another Member: I second the motion.

The Chairman: It is moved and seconded that we now adjourn. I believe it was understood that the motion was put in regard to meeting a year hence, so it is, I think, a motion to adjourn. All those in favor will signify by saying aye; contrary, no. The meeting stands adjourned.

END OF
TITLE